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**FOR IMMEDIATE RELEASE**

**PIDM signs agreement with Cagamas to further strengthen protection for financial consumers**

**Kuala Lumpur, 28 December 2015:** Perbadanan Insurans Deposit Malaysia (PIDM) recently signed an agreement with Cagamas Berhad (Cagamas) as part of its contingency plans to ensure PIDM's operational readiness.

The collaboration is one of several alternative funding arrangements to ensure that the Corporation has access to readily available funds should the need arise. The funds will be sourced from Cagamas' debt securities issuance to the capital market.

"This cooperation with Cagamas complements the various initiatives undertaken by PIDM to ensure that it is ready to intervene or resolve a troubled member institution promptly as part of its mandate to maintain financial system stability. Operational readiness and effectiveness are areas which are critical to the achievement of PIDM's mandate and strengthening financial consumer protection," said Mr Jean Pierre Sabourin, PIDM Chief Executive Officer.

Under the Malaysia Deposit Insurance Corporation Act (PIDM Act) 2011, the Corporation is the resolution authority in Malaysia for member banks and insurer members, and has at its disposal a range of legislative powers to intervene early in distressed member institutions to mitigate the possibility of a failure.

Meanwhile, Mr. Chung Chee Leong, President/Chief Executive Officer of Cagamas Berhad said "Cagamas is pleased to collaborate with PIDM in enhancing its operational readiness plans. The collaboration is mutually beneficial and will serve to strengthen both PIDM and Cagamas' contribution to the financial industry as a whole."

"Cagamas is one of the earliest established secondary mortgage corporations in the region and we are enhancing our role with new initiatives such as our collaboration with PIDM", he added.

The agreement was signed by Mr. Sabourin and Mr. Chung in Kuala Lumpur recently and was witnessed by senior officials of both organisations.

For more information about this press release, kindly contact:

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#### **ABOUT PIDM**

**PIDM administers the statutory Deposit Insurance System and the Takaful and Insurance Benefits Protection System in Malaysia. Through these systems, eligible bank deposits and takaful and insurance benefits are protected under the law. As an integral part of the national financial safety net, we promote and contribute to the stability of the financial system.**

**For further information:**

- **Call 1-800-88-1266, 8.30am to 5.30pm on Mondays to Fridays (excluding public holidays)**
- **Email: [info@pidm.gov.my](mailto:info@pidm.gov.my)**
- **Visit: [www.pidm.gov.my](http://www.pidm.gov.my)**

#### **ABOUT CAGAMAS**

**Cagamas was established to promote the broader spread of house ownership and growth of the secondary mortgage market in Malaysia. It issues debt securities to finance the purchase of housing loans from financial institutions and approved non-financial institutions. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for houses at an affordable cost.**

**For further information:**

- **Call +603 - 2262 1800, 8.30am to 5.30pm on Mondays to Fridays (excluding public holidays)**
- **Email: [info@cagamas.com.my](mailto:info@cagamas.com.my)**
- **Visit: [www.cagamas.com.my](http://www.cagamas.com.my)**